# partnership for prosperity

## SUCCESS IN THE NEW ECONOMY

## FINAL PROGRESS REPORT

2005

www.saskprosperity.sk.ca

GOVERNMENT OF SASKATCHEWAN

106-01202/

partnership for prosperity
SUCCESS IN THE NEW ECONOMY

## Minister's Message

For the past four years, *Partnership for Prosperity* has been the economic road map for Saskatchewan's future. When we launched this strategy, we set ambitious goals for the province and for its success in an increasingly global, knowledge-based economy. Now, four years later, we can report solid progress on meeting most of the strategy's targets.

Saskatchewan's economy has rebounded after two tough years in 2001 and 2002. Our province has great momentum as it enters its second century. Our key economic sectors are performing strongly, our job numbers are at record levels, and mineral exploration expenditures and capital investment intentions are also at all-time highs. We continue to be a national leader in exports, and recorded the strongest GDP growth in Canada over the last two years combined.

*Partnership for Prosperity* has set the stage for further growth, and we are moving on with a new action plan, which will be unveiled in the coming months. The 2005 Progress Report is accordingly the final report on our current economic strategy, and is part of our commitment to chart progress toward meeting its targets. *Partnership for Prosperity* has served us well, and our new plan will position Saskatchewan for a new century of opportunity.

Eric Cline, Q.C.
Minister of Industry and Resources

# PARTNERSHIP FOR PROSPERITY: SUCCESS IN THE NEW ECONOMY 2005 PROGRESS REPORT

*Partnership for Prosperity, Success in the New Economy* was launched in 2001 following an extensive consultation process with input from more than 10,000 Saskatchewan citizens. The strategy represents the input and opinions of business, labour, community, youth, First Nations and Métis leaders; and input from education providers, departments and Crown corporations across government. Consultations identified support for an overall economic plan, for targets as a step towards greater accountability, and for strong leadership from government in taking measures to strengthen the economy.

*Partnership for Prosperity* contains 16 targets to measure progress towards goals of prosperous people, prosperous businesses and co-operatives, prosperous communities, and a prosperous province. A first-year progress report was released in the fall of 2002, and a second-year progress report was released in early 2004. This will be the final *Partnership for Prosperity* progress report in light of the release of a new 2005 provincial economic action plan.

The January 2005 *Saskatchewan Centennial Summit* provided a major forum for leaders in our communities to provide their ideas on how the province can address challenges and capture future opportunities to grow the economy. The "Saskatchewan Action Plan for the Economy: A New Century of Opportunity" will incorporate input from the summit, as well as other consultations, to help guide economic growth over the coming years.

**Overview of Progress**

Recent trends suggest that about half of the *Partnership for Prosperity* targets are achieved or are almost achieved. Three targets have been exceeded: the increase in Internet connectivity; the reduction in personal income taxes; and the increase in personal disposable income.

The target for positive attitudes is very close to being achieved, and the target for increased Aboriginal employment is on track to being achieved. Progress towards three non-quantitative targets can be shown in the areas of competitiveness, research and development, and highways infrastructure.

Several targets have been affected by factors that were not anticipated and/or were beyond government's control including severe drought, low commodity prices, terrorist attacks, slower growth in the United States (U.S.), economic slowdown in other parts of Canada, the technology sector meltdown, and the increase in value of the Canadian dollar. Nevertheless, Saskatchewan's economy has done remarkably well, particularly in 2003 and 2004, and significant progress has been made towards targets for per capita GDP growth, employment, net youth in-migration, agri-value sales and tourism. Continual improvements have been made in increased post-secondary education levels. Modest improvements have been made in the number of new business start-ups. Non-traditional exports, however, have followed a trend similar to the decline and rebound for total Canadian exports.

Saskatchewan's economy is expected to continue to experience strong growth in 2005. The Conference Board of Canada is forecasting that Saskatchewan will have the second highest growth rate in Canada in 2005 with Gross Domestic Product (GDP) increasing by 3.4%. The Conference Board is also forecasting continuing strong growth in employment and personal disposable income for Saskatchewan over the next two years.

The following highlights some of the provincial government actions that have contributed to more prosperous people, businesses and co-operatives, sectors, communities and province, as well as progress made towards the targets. More details on each target are provided in the final section.

## *Prosperous People*

- **More Jobs:** In 2004, a record number of nearly 480,000 people were working in Saskatchewan. Between 1999 and 2004, non-agriculture jobs increased by 27,000, and net new jobs increased by 8,000. Since 2001, the total number of jobs grew by almost 20,000. The Conference Board of Canada forecasts that Saskatchewan will create another 7,000 new jobs in 2005.
- **Increased Incomes:** Average personal disposable income increased by more than 20%, or over $3,500 between 1999 and 2004 as a result of higher incomes and lower taxes. In the 2000 Budget, a long-term plan was announced to reform and reduce personal income taxes. In 2005, the average two-income Saskatchewan family earning $50,000, with two children, will pay $1,138 (32%) less in provincial personal income taxes than they paid in 1999. Additionally, a commitment to having the lowest utility bundle in Canada provides families with even more discretionary income.
- **A Better Educated Workforce:** As the education level of Saskatchewan people continues to increase, new employment opportunities open up. Approximately 21,500 more people aged 25 to 64 had some post-secondary education in 2004 than in 2000, an increase of 8%. The *Saskatchewan Post-Secondary Graduate Tax Credit* supports recent graduates living and working in the province.
- **More Youth Opportunities:** Increasing youth opportunities have resulted in more youth coming to and staying in Saskatchewan. The *Centennial Student Employment Program*, established in 2001, has provided meaningful work experience to almost 5,000 students, and about 700 more will be hired in 2005-06. The *Youth Opportunities Unleashed* (YOU) program provides financing, training and mentorship to help youth entrepreneurs realize their business ambitions. Despite net out-migration, over 4,800 youth moved to the province during the 12 months ending June 30, 2004, the highest youth in-migration in the last 20 years.
- **Increased Aboriginal Participation:** The employment rate for Aboriginal people increased 11% between 1996 and 2001 to 42%, and the rate is significantly higher for Métis and First Nations people residing off-reserve. Since its inception, almost 2,000 qualified Aboriginal people have been hired by employers participating in the *Aboriginal Employment Development* program, which helps employers and unions identify employment opportunities, create sensitive work environments and link training with jobs. Aboriginal people are increasingly becoming trained and employed in northern mining and forestry sector jobs through the renewed *Multi-party Training Plan* and the *Forestry Training Plan* introduced in 2001.

## *Prosperous Businesses and Co-operatives*

- **A Competitive Business Environment:** The 2004 KPMG *Competitive Alternatives* study ranked Prince Albert first in overall cost-effectiveness, and Saskatoon, Regina and Moose Jaw in the top 10 compared to other major North American midwest cities included in the study. The Institute of Chartered Accountants of Saskatchewan reported after-tax profits as a percentage of GDP in the province to be 32% higher than the Canadian average in *Saskatchewan Check-Up 2004*.

  The Fraser Institute's 2004 survey of international mining and exploration companies ranked Saskatchewan fifth out of 64 jurisdictions around the world for competitiveness in mining tax rates, regulations, political stability, labour laws and other factors.

  The Corporate Income Tax rate for small business dropped from 8% in 2001 to 5% in 2005, and the income level to which this rate applies increased from $200,000 to $300,000. The Corporation Capital Tax (CCT) exemption doubled from $10 million in 2000 to as high as $20 million in 2005. As a result, approximately 200 Saskatchewan businesses no longer pay CCT, while others pay up to $60,000 less per year. In 2005, an independent *Business Tax Review Commission* will evaluate and make recommendations to further enhance tax competitiveness to encourage economic growth.

- **Investments in Research and Development:** In 2002, R&D investment in Saskatchewan was $419 million, a 50% increase over four years. Saskatchewan organizations excel in research in energy extraction, agriculture, biotechnology, pharmaceuticals, information technology, environmental technology and the health sciences. Research at the $174-million *Canadian Light Source Synchrotron* is drawing scientists from around the world for ground-breaking research in life sciences and other sectors, with potential for commercialization opportunities. The *Regina Research Park* and Saskatoon's *Innovation Place* generate about $500 million in annual economic impacts for the province.

- **Encouraging Exports:** Saskatchewan's exports declined in 2001 through 2003 before rebounding in 2004, following a Canadian trend. Non-traditional exports in 2004 were $4.4 billion, more than $600 million (16%) above the amount in 2003, although slightly less than the 2000 baseline. The *Nextrade* finance program introduced in 2004 by the Saskatchewan Trade and Export Partnership (STEP), offers short-term financing to Saskatchewan exporters to expand their markets.

- **A Vibrant Private Sector:** In 2004, over 3,200 new businesses were incorporated and about 4,800 new business names were registered in Saskatchewan. The province's private sector investment exceeded $6 billion in 2004, and based on a Statistics Canada intentions survey, will increase 10% in 2005 to $6.6 billion.

  *Invest in Saskatchewan Program* enhancements have allowed the provincial Labour-sponsored Venture Capital Corporations (LSVCC) to expand. Since 1999, the two provincial LSVCC funds have raised over $72 million and invested in 45 Saskatchewan companies. *Small Business Loans Associations'* lending limits have been increased by 50% to $15,000.

- **Growing Co-operatives:** During the past five years, more than 80 new co-operatives were established in a range of economic sectors from housing to value-added agriculture. Ten *New Generation Co-operatives* are taking advantage of legislation enacted in 2000 that provides more flexibility for agriculture sector projects to raise capital. Saskatoon-based Federated Co-operatives Ltd. increased its sales from $3 billion in 2000 to nearly $4.2 billion in 2004, and invested more than $400 million in the Consumers' Co-operative Refinery. Over the last three years, the credit union systems' total assets expanded by $1 billion to $9 billion in 2005, and membership continues to increase.

## *Prosperous Sectors*

- **Energy:** Changes to the province's oil and gas royalties and taxes in 2002 contributed to increased industry investment, employment and revenues. The *Petroleum Technology Research Centre*, which opened in 2000 at the Regina Research Park, is playing a significant role in developing enhanced oil recovery (EOR) techniques. In March 2005, following consultations with industry, we announced a revised and simplified tax and royalty structure along with other measures to increase the amount of oil produced in Saskatchewan through EOR.

  Saskatchewan is a national leader in the development of alternative energy sources. A total of 33 wind turbines have been erected near Gull Lake. Increasing use of wind power is creating new jobs with Hitachi Canadian Industries in Saskatoon, which is constructing steel towers for 83 wind turbines for a new project southeast of Swift Current.

  Saskatchewan's *Greenprint for Ethanol Production* was released in 2002 to cut greenhouse gases while diversifying the province's rural economy. The Saskatchewan ethanol program, which encourages distributors to purchase ethanol from Saskatchewan producers, has contributed to investments in ethanol production by Husky Energy in Lloydminster and NorAmera BioEnergy Corporation in Weyburn.

- **Mineral Exploration and Development:** Response to Saskatchewan's *Mineral Exploration Incentive Program*, introduced in 2002, has been positive. Mineral exploration expenditures are forecast to increase from approximately $31 million in 2003 to $120 million in 2005. Tax enhancements for increased production in the potash industry have improved the industry's competitiveness and are attracting hundreds of millions of dollars in new investment.

- **Forestry:** The *Forestry Development Strategy* initiated in 1999 has contributed to about $1 billion in private-sector investment and the creation of more than 8,000 new direct and indirect jobs. Additional projects are in the development stage. The *Saskatchewan Forest Centre* established in 2001 in Prince Albert is transferring new technology to the province's forest industry.

- **Tourism:** The *Canada-Saskatchewan Western Economic Partnership Agreements* (WEPAs) have encouraged tourism growth through commitments of over $12 million for tourism-related infrastructure such as state-of-the-art websites, the RCMP Heritage Centre, the Chaplin Interpretive Centre, the Western Development Museum, the Duck Lake Regional Interpretive Centre and others. Several *Saskatchewan Centenary* initiatives, such as improvements to attraction signage and to provincial and regional parks, are also enhancing tourism. In 2003, Saskatchewan's tourism revenues were approximately $1.4 billion, an increase of 14% since 2000.

- **Manufacturing and Processing:** *Manufacturing and Processing Tax Incentives* and support through WEPA for companies to adopt lean manufacturing practices are helping to increase industry competitiveness and create jobs. Manufacturing provided 28,300 jobs in 2004, with almost half of these being outside Saskatoon and Regina. Saskatchewan's agri-value industry has diversified and since 2000, food and beverage shipments increased by 33% to $2.16 billion in 2004.

## Prosperous Communities

- **Rural Revitalization:** The *Action Committee on the Rural Economy* (ACRE) was established in 2000 to act as a catalyst for positive change and explore new areas for economic growth in rural Saskatchewan. Many of ACRE's 185 recommendations to government have already been implemented, including changes to resource royalty structures and farmland ownership regulations, and the creation of a new *Rural Development* department to help promote and revitalize our rural economy.
- **Northern Development:** The *Canada-Saskatchewan Northern Development Agreement*, launched in 2002, is providing $20 million in federal and provincial funds to support sustainable northern economic development and to encourage the full participation of northerners in the economy. The agreement has supported skills development and community economic development projects.
- **A Modern, Strong Transportation System**: Over the last four years, about $1.2 billion was invested in the province's highways and transportation infrastructure to support economic growth. Transportation efficiency has been improved by increasing speed limits on most twinned highways and expanding access to primary weight.
- **Exploiting the Internet and E-Commerce:** The percentage of households with access to the Internet at home increased by 114%, and access at work increased by 79% between 2000 and 2003. Over 50% of households had access to the Internet at home and 35% had access at work in 2003. Through *CommunityNet*, an alliance of SaskTel, government, health and education sectors, high-speed Internet has been made available to more than 237 communities. With high-speed Internet, Saskatchewan's small businesses are finding new ways to compete in the national and international economy. The National Broadband Task Force has called Saskatchewan's high-speed Internet network "the most advanced undertaking by any comparable national, state or provincial government anywhere in the world." Within three years, 86% of the province's population will be able to access high-speed Internet.

## Prosperous Province

- **Balanced Budgets:** Twelve consecutive balanced budgets have enhanced the climate for business investment and growth. The provincial debt-to-GDP ratio has been reduced from 69% in 1993 to 28% in 2005, contributing to 12 provincial credit rating increases since 1991. Standard and Poor's upgraded Saskatchewan's rating to AA- in 2004 to reflect the province's diverse economy, growth potential, still-moderate tax supported debt burden and the adoption of prudent budgetary policies.
- **Continued Economic Growth:** The Conference Board of Canada estimates Saskatchewan's 2004 per capita GDP growth was 3.7%, with a 2.2% average annual increase over the last four years. The Conference Board predicts Saskatchewan's economy will "continue to expand at a remarkable rate" in 2005, with the nation's second highest per capita GDP growth. The mining, oil and gas, agriculture and manufacturing sectors are expected to drive growth in 2005.[1]
- **A More Positive, Winning Attitude:** Saskatchewan people are increasingly more positive about the province. A June 2003 opinion poll found that 89% of residents had a positive attitude about Saskatchewan, up from 77% in 2001 and 83% in 2002. Saskatchewan's *Our Future is Wide Open* campaign was launched in 2002 to enhance attitudes and promote business and investment to audiences both inside and outside the province. Surveys have shown that the campaign contributed to increased recognition in the business community of Saskatchewan's competitive advantages. Other initiatives that have helped generate increased awareness and positive attitudes about Saskatchewan successes and opportunities include *Youth Opportunities Unleashed*, *The Saskatchewan Dream*, and the *Saskatchewan Ambassadors Program*.

The following summarizes progress towards the targets, based on the most recent statistics. Some previous numbers have been restated based on revisions and updates by Statistics Canada.

[1] Conference Board of Canada *Provincial Outlook*, Winter 2005.

## Target: Increase the number of jobs by at least 30,000

The number of non-agriculture jobs increased by over 27,000 during the last five years, and net new jobs increased by 8,000. The severe droughts, international subsidy wars, depressed prices and BSE, along with farm consolidations and increased productivity, have contributed to a loss of employment in the provincial agriculture sector. Saskatchewan had a difficult year in 2001 when jobs dropped by approximately 13,000 (11,000 of which were in agriculture) in one year. Since then, our economy has rebounded significantly and employment has grown steadily every year. Since 2001, the total number of jobs grew by almost 20,000 to 480,000 in 2004.

The outlook for employment growth is positive, with the Conference Board of Canada projecting job numbers to increase by 7,000 in 2005, and unemployment to continue to decline.[2]

## Target: Reduce provincial income taxes by over 25% for an average Saskatchewan family between 1999 and 2003

In the 2000 Budget, a long-term plan was announced to reform and reduce personal income taxes. As of January 1, 2001, a new tax on income structure was implemented. The new tax on income structure determines tax by applying provincial income tax rates directly to taxable income and then deducting provincial personal tax credits. The new plan established significantly higher non-refundable tax credits. In 2004 and 2005, the personal income tax system was fully indexed to inflation, thereby reducing the amount of income tax payable.

The 25% tax reduction target for personal income tax was surpassed in 2003. In 2005 the average two-income Saskatchewan family earning $50,000, with two children, will pay $2,402 in provincial income tax, a reduction of $1,138 (32%).

## Target: Increase average personal disposable income by 20%

Lower personal income taxes over the last four years have had a significant effect on increases in personal disposable income. In 2003, per capita after-tax personal disposable income was up over 15% (over $2,600) from the 1999 baseline to almost $19,900.

The Conference Board of Canada estimated that Saskatchewan's per capita personal disposable income increased by another 4.6% in 2004, the third highest growth rate among Canadian provinces, resulting in a five-year increase of over 20%, thereby exceeding the target.[3]

## Target: Increase the proportion of working-aged people with some post-secondary education or higher by 15%

Education levels in Saskatchewan are steadily increasing. Over the last four years, the number of 25 to 64-year-olds with some post-secondary (college, technical, and university) education increased by approximately 21,500 to 289,300 people. The proportion of working-age people with some post secondary education is up almost 8% from the 2000 baseline to 61.3%.

[2] Conference Board of Canada *Provincial Outlook*, Winter 2005.

[3] Conference Board of Canada *Provincial Outlook*, Winter 2005.

## Target: Achieve net youth in-migration

Saskatchewan has experienced net out-migration of youth aged 15 to 24 every year over the last 20 years. During the 1990s, youth net out-migration ranged from a high of over 6,000 in 1990 to a low of about 1,400 in 1996.

Youth net out-migration decreased significantly in 2004 to 1,687, the lowest in six years. Despite net youth out-migration in 2004, over 4,800 youth moved to Saskatchewan, an increase of almost 50% over 2001 levels, and more than any other year in the last decade.[4]

The out-migration of youth is a long-term issue that requires ongoing attention. As employment opportunities continue to increase, further improvement in migration trends is expected.

## Target: Increase the employment rate of First Nations and Métis people by 20% by 2005

The future prosperity of Saskatchewan is closely tied to the increasing participation of First Nations and Métis people in the economy. Employment numbers for First Nations and Métis people are only collected every five years during the census. The 2001 Census data indicates that the province's employment rate for self-declared Aboriginal people was 42%, up 11% from the 1996 Census baseline. The employment rate was significantly higher for Métis and First Nations people residing off-reserve than for those living on reserves. The target is on track to be met.

## Target: Among comparable provinces and states, Saskatchewan will be the most cost competitive jurisdiction in which to do business in our key sectors

A competitive business environment is essential to investment and economic growth. Competitiveness is also necessary for the success of provincial exporters in a global economy.

In *Saskatchewan Check-Up 2004*, the Institute of Chartered Accountants of Saskatchewan reported after-tax profits as a percentage of GDP in the province to be 32% higher than the Canadian average. Saskatchewan's total provincial corporate taxes as a percentage of pre-tax profits were 11.2% lower than the Canadian average and were the second lowest of provinces west of Quebec.

The 2004 KPMG *Competitive Alternatives* study ranked Prince Albert first in overall cost-effectiveness, and Saskatoon, Regina and Moose Jaw in the top 10 compared to other major North American midwest cities included in the study.

The Fraser Institute's 2004 survey of international mining and exploration companies ranked Saskatchewan fifth out of 64 jurisdictions around the world for competitiveness in mining tax rates, regulations, political stability, labour laws and other factors.

[4] For 12 months ending June 30, 2004.

## Target: Become a world leader in research and development that enhances our ability to benefit from our unique resources, infrastructure and market interests

Progress towards meeting the target is reported through investments made in R&D and evidence highlighting research success. In 2002, R&D investment in Saskatchewan was $419 million, a 50% increase over four years.[5] Saskatchewan organizations excel in research in energy extraction, agriculture, biotechnology, pharmaceuticals, information technology, environmental technology and the health sciences.

Some outstanding R&D-related contributions to the Saskatchewan economy include the following:

- The economic benefit to the province of organizations located in Saskatchewan's two research parks – *Innovation Place* in Saskatoon and the *Regina Research Park* – was $500 million in 2004.
- The $174-million *Canadian Light Source Synchrotron*, which opened in 2004, is contributing to ground-breaking research in medicine, pharmaceuticals, micro-manufacturing, metal alloys, chemistry and other sectors.
- Saskatchewan has one of the greatest concentrations of life science knowledge, expertise and resources in Canada. *Ag-West Bio*, established in 2004, is strategically positioned to capture maximum benefits for Saskatchewan in the emerging bio-economy.
- *Vaccine and Infectious Disease Organization* (VIDO) is internationally recognized as a leader in animal vaccine research and development. Recently, VIDO has expanded its focus to also investigate diseases affecting humans and the close links between animal and human health.
- The *Saskatchewan Research Council* (SRC) provides research support to about 1,200 Saskatchewan customers annually, and in 2003-04 had an economic impact on the province of over $59 million. SRC recently unveiled the world's first hydrogen/gasoline hybrid half-tonne truck.
- The *Petroleum Technology Research Centre's* research on carbon dioxide sequestration led to a world-scale enhanced oil recovery operation in Weyburn that increases oil production while reducing greenhouse gas emissions by capturing carbon dioxide underground.
- The *Saskatchewan Forest Centre* in Prince Albert is providing the forest industry with access to the best research and new technologies from around the world.

## Target: Increase non-traditional exports by 60%

Saskatchewan's economy is heavily reliant on exports of goods and services: interprovincial and international exports are equivalent to approximately two-thirds of the province's GDP. Saskatchewan's total exports and non-traditional exports declined in 2001 through 2003 before rebounding again in 2004. In 2004, Saskatchewan's total international exports of goods were valued at $12.2 billion. Non-traditional international exports were $4.4 billion, approximately $600 million (16%) more than in 2003, and slightly less than the 2000 baseline.

Saskatchewan exports followed a trend similar to the decline and rebound for total Canadian exports during this period. The slowdown in the U.S. economy and the stronger Canadian dollar have significantly affected Canadian exports.

[5] 2002 is the most recent year statistics are available for research and development.

## Target: 7,500 start-ups of new businesses and co-operatives annually

The Saskatchewan Chamber of Commerce identified a target of 7,500 new business start-ups in *Action Saskatchewan Version 2.0* released in May 2001, and challenged the private sector to meet this target by 2005. In 2004, over 3,200 new businesses were incorporated and about 4,800 new business names were registered in Saskatchewan, a modest increase since 2000.

Saskatchewan's private-sector investment has been strong. Private-sector investment exceeded $6 billion in 2004, and based on a Statistics Canada survey of investment intentions, will increase 10% in 2005 to $6.6 billion.

## Target: Increase tourism revenue by 25% to $1.5 billion annually

In 2003, Saskatchewan's tourism revenues were approximately $1.36 billion, an increase of 14% or $160 million over 2000 revenues. Slowing economies, terrorism, war and SARS have had a negative impact on worldwide tourism over the last two years. Saskatchewan's industry has done remarkably well under these circumstances.

## Target: Increase the sale of agri-value processed products by 50%

Value-added processing for agricultural products helps increase wealth creation and keep jobs in rural Saskatchewan. Manufactured shipments of food and beverages are being used as a proxy to measure agri-value production. These statistics, however, do not include non-food agri-value production, such as ethanol.

Agri-value sales have increased significantly in the past four years, although not as quickly as anticipated because of a weaker American economy and intense global competition. Food and beverage shipments were up by $540 million, or 33% (7.4% average annual increase) from the 2000 baseline, to $2.16 billion in 2004. Over the last decade, agri-value sales have almost doubled.

## Target: Develop a safe and efficient highways and transportation network that supports economic development

Appropriate transportation infrastructure is important to overall economic growth in the province. The province is on track to invest $2.5 billion on highways and transportation over 10 years, a commitment made in the 1997-98 provincial budget. Examples of how more efficient transportation has been achieved include:

- The twinning of Highway 1 West was completed in 2003, and twinning of Highway 1 East and Highway 16 between the Battlefords and Lloydminster is on track to be completed in 2007, five years ahead of schedule. The twinning of our major highways will provide significant benefits to our motoring public and particularly our shippers and carriers by allowing the safe operation of more efficient, longer combination vehicles.
- Since 1999, Saskatchewan has upgraded more than 1,700 km of Thin Membrane Surface (TMS) roads to a paved highway standard as part of a strategic grain corridor system.
- To support north-south trade, Highway 6 between Regina and the U.S. border was upgraded to a pavement standard.
- The province has changed regulations to allow for an extended winter hauling period when conditions are suitable and also has allowed for the use of longer, more efficient b-train truck configurations to haul at primary weights on secondary roads during the winter haul period.
- Transportation Partnership Program Agreements have improved trucking efficiency and reduced freight costs.
- Transportation efficiency has been improved by increasing speed limits on most twinned highways.

## Target: Increase the number of businesses and families connected to the Internet by 40%

The target for Internet connectivity was met in 2001, and now, Internet connectivity has far exceeded expectations. The percentage of people accessing the Internet at home and work continued to increase to over half of households with access to the Internet at home and over one-third at work by 2003. Between 1999 and 2003, there has been a 114% increase in access to Internet at home and a 79% increase in access at work.[6]

## Target: Increase per capita Gross Domestic Product by an average of 2.5% per year

After strong per capita real GDP growth in 2000 of 3.3%, GDP declined slightly in 2001 and 2002. In 2003, Saskatchewan experienced per capita GDP growth of 4.7%. The Conference Board of Canada estimates Saskatchewan's 2004 per capita GDP growth was 3.7%. Based on these estimates, over the last four years, per capita real GDP has increased by approximately $2,200 to about $33,384, an annual average increase of 2.2%.

The Conference Board of Canada is predicting Saskatchewan's economy will "continue to expand at a remarkable rate" in 2005, with the nation's second highest per capita GDP growth at 3.4%. The mining, oil and gas, agriculture (weather permitting) and manufacturing sectors are expected to drive the growth in 2005.[7]

## Target: 90% of Saskatchewan people will see this province as a great place in which to live, work and do business

Public opinion surveys are used to gauge public attitudes about Saskatchewan.

Positive attitudes about Saskatchewan increased significantly in 2003. A June 2003 opinion poll found that 89% of residents had a positive attitude about Saskatchewan, up from 77% in 2001 and 83% in 2002.

[6] Statistics Canada Household Internet Use Survey
[7] Conference Board of Canada *Provincial Outlook*, Winter 2005.

Saskatchewan
Centennial 2005